

Message Text

PAGE 01 STATE 138345

61

ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 (ISO) R

DRAFTED BY L/NEA:BKHUFFMAN:DSC

APPROVED BY NEA:SSOBER

NEA/ARP:FMDICKMAN

T:CMAW

L/PM:JHMICHEL

DOD/DSAA:LT. GEN. FISH (SUBS)

S/S-O: P. JOHNSON

----- 024863

O 130138Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA IMMEDIATE

C O N F I D E N T I A L STATE 138345

EXDIS

E.O. 11652: GDS

TAGS: PINT, SA

SUBJECT: NORTHROP AGENT'S FEES

REF: STATE 137147

1. IN YOUR MEETING WITH SULTAN, REQUEST YOU STATE THAT USG IS PREPARING TO ISSUE POLICY STATEMENT TO EFFECT THAT NO COMMISSION WILL BE PERMITTED FOR SALES UNDER FMSA UNLESS IT IS IN A REASONABLE AMOUNT FOR SERVICES RENDERED BY A BONA FIDE COMMERCIAL AGENT AND HAS BEEN SPECIFICALLY DISCLOSED TO AND APPROVED BY THE BUYER-GOVERNMENT IN ADVANCE.

2. WE DO NOT BELIEVE IT WOULD BE PRODUCTIVE AT THIS SENSITIVE TIME FOR YOU TO TRY TO DISSUADE SULTAN FROM ANY PUBLIC STATEMENT OR PUBLICATION OF DOCUMENTS HE MIGHT FEEL NECESSARY.

3. AT YOUR DISCRETION, HOWEVER, YOU MAY POINT OUT THE CONFIDENTIAL

PAGE 02 STATE 138345

FOLLOWING:

A. BECAUSE OF POSSIBILITY OF REVIVING PUBLICITY ON NORTHROP (ADDRESSED IN REFTEL) WE DO NOT DESIRE TO ISSUE ANY

JOINT STATEMENT WITH SAUDIS AT THIS TIME. B. AS NOTED
REFTEL, PUBLICATION OF MAY 17 LETTER WOULD PROVIDE BASIS
FOR QUESTIONS REGARDING SULTAN'S ASSERTION HE STATED

SAUDI POLICY TO YOU AND USMTM CHIEF AS SOON AS HE RE-
CEIVED ELLSWORTH LETTER OF MARCH 6.

C. TIMELINESS OF ANY SAG STATEMENT ADDRESSING ONLY
NORTHROP PROBLEM WOULD SEEM QUESTIONABLE GIVEN POSSIBILI-
TY THAT CHURCH SUBCOMMITTEE OR OTHER BODY MAY TURN UP NEW
ALLEGATIONS REGARDING ACTIONS BY OTHER US COMPANIES IN
SAUDI ARABIA.

D. BLANKET SAG PROHIBITION OF ALL AGENTS FEES WOULD POSE
PROBLEM IF, AS APPEARS LIKELY, SERVICES BY LOCAL AGENTS
SUCH AS TRAVEL ARRANGEMENTS, TRANSLATIONS SERVICES,
APPOINTMENTS, VISAS, ARE ESSENTIAL TO EFFECTIVE OPERATIONS
BY FMS CONTRACTORS IN SAUDI ARABIA. NEW USG POLICY
PARA 1 WOULD PERMIT SAG TO REVIEW AND APPROVE OR DISAP-
PROVE FEES PROPOSED FOR SUCH SERVICES IN FUTURE FMS
CONTRACTS.

4. AT THIS TIME, WE DO NOT BELIEVE YOU SHOULD DISCUSS
LEGAL OR FINANCIAL CONSEQUENCES FOR NORTHROP OR ITS ON-
GOING PROGRAMS IN SAUDI ARABIA OF SULTAN'S PROHIBITION
OF AGENTS FEES IN PHASE IV. THIS WOULD SEEM TO BE MATTER
BEST EXPLORED AT THIS STAGE BY THE COMPANY, KHASHOGGI, AND
IF THEY SO DESIRE, SAG. KISSINGER

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: Z
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BRIBERY, MILITARY SALES, POLICIES, ROYALTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE138345
Document Source: ADS
Document Unique ID: 00
Drafter: L/NEA:BKHUFFMAN:DSC
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: P900105-0527, D750206-0010
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197506101/baaaamni.tel
Line Count: 85
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2003 by KelleyW0>; APPROVED <22 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 971028
Subject: n/a
TAGS: PINT, SA, NORTHROP, PRINCE, SULTAN, (SULTAN, PRINCE)
To: JIDDA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006